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MOTES FOR TALK TO COUNCIL ON FOREIGN RELATIONS (27 February 1958)

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TITLE: "International Political Strategy of the Soviet Union"

Intend to deal with broad underlying factors affecting Soviet External Policy formulation over the epoch that roughly spans the post-war generation 1945-1975.

Seviet leaders think in terms of such large gobs of time.

(We should do likewise a lot more than we do.) Don't confuse
with "timetable of world conquest" and that kind of

balderdash.

Policy paper" insofar as we can dope it out. Admit almost insuperable difficulty in separating external from internal—and it fact I shall be dealing in large measure with the worst of all intelligence unknowables — long-range intentions which even the Muscovite leaders cannot predict for sure.

USSR in its diplomatic dealings has come a long way in the 40
years since Trotsky took over the Foreign Office with the blithe statement: "I shall issue a few revolutionary proclamations to the peoples
and then close up shop."

Gradual awakening to the realities of international politics in the 30's. Today we see full-blown sophisticated government to government diplomacy, through letters to European Socialists and Laboritage and Bulganin correspondence show they are not abandoning direct over-theheads-of-governments tactics entirely.

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One can well argue that the heyday of Stalin, say 'lil-'52, brought about a radical departure from the main thrust of Soviet policy and should be treated as an exceptional phase rather than as a pattern for the future.

Soviet policy in those years derived from Stalin's preoccupation to the with absolute control over his instrumentalities and sharply distinguished the area where Moscow's writ ran from all other areas toward which he became almost pathologically hostile.

Methods were crude and violent. Countries like Burma, Philippines, Greece, and Indonesia which might have been wooed were objects of viscious small but particularly/insurrections. Others like India, who wanted close relations with Socialist Bloc were gratuitously antagonized.

Berlin and Koreas, the facets most clearly confronting the major and family to dominant western powers, remain fixed in our memories. Climaxed at 19th

Party Congress 1952 when Stalin personally pledged Soviet backing for world Communist parties as the "shock troops" of the revolution.

A very astute Australian analyst, Wentworth, ascribed this aggressive policy to Soviet basic military weakness in the immediate post-war period. In other words, the strategy was essentially defensive and the bellicose statments and offensive action at the edges were designed to preoccupy the West and keep it from applying pressure on the Communist powers which they could not have resisted. I incline to share this view. If so, Stelinist policy diverged not fundamentally but more or less superficially from what preceded and followed. At any rate, return to normalcy '53- early '55, fully articulated in 20th Party Congress,

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February '56 was about as fast a series of apparent volte-faces as well manifested by a great power in a position to formulate its own policy relatively free of outside compulsion. Completely mystified old Molotov (only one of successor's group to favor continuing Stalin's policies) vide February 8, 1955 speech right after Malenkov fired --- in which he breathed fire and brimstone.

End Korean War.

End Indo-China war (on terms less favorable to them than could have fought for.)

Anstria

Finland - Porkalla

Yugoslavia

Aid to the nec-fascist Nasir Summit, etc., etc. So much for the visible historical pattern that has emerged. Now to look beneath the surface and peer into the future:

back to main theme

1. Fundamental premise on which all their policy rests is
their confidence in continuous growth of their basic internal strengths
at rates that offer them a prospect of becoming the strongest power on
earth in 1970s. (not topic this talk to examine validity of these
beliefs) but clearly rational men in their position can point to very
hard evidence that such a premise is soundly based:

Key to heavy industry: - 1957, 140,000 machine tools to our 70,000.

1947 - for every ton of steel we produced, they produced 300 lbs.

1st Qtr. '58 - " " " " " 1500 lbs.

Edigation - more scientists, more technicians...

Consumer goods (closely related to political stability)

visible enough gains in durables and soft goods and soon in housing and quality foods so that Soviet citizen will continue to believe regime is paying heed to his personal aspirations for the future. This gradual but steady improvement couples with a remarkable array of state social services means that the present Soviet state is enough of a genuine welfare state to have considerable sales appeal and political endurance.

- 2. So looking to end of our period the 1970s now closer to us than the war years. They see themselves with 270,000,000 people.

 GNP exceeding ½ trillion dollars comparable to ours then. Soviet consumer standards superior to Western Europe with possible exception Germany. Available for continued forced draft capital investment
 150 billion. Available for armaments (if arms race still continues) and external investment will be nearly \$100 billion per year. At that point "victory" will be assured...The 1/3 of the world's people who stand aside from the current struggle will have been persuaded to follow the Communist path and the world's power balance will have shifted irrevocably.
- 3. You will quite obviously note that I have cranked in without mentioning it a vital assumption: That there will not be a major nuclear war involving the USSR. They do likewise and make it a cardinal point of their policy that they must not get involved in war.

of course they say it publicly (20th Congress "Non-inevitability of war"), (Mikoyan said two world wars cost 15 years in Soviet development), but as we know say it even more earnestly to themselves and the faithful. Our reports from last November's conferences during and after hoth Annual Mao, Krushchev, Suslow, and everyone spoke of the imperative Approved for Release 1999/09/07: CIA-RDP79-01048A000100040016-7

Ja. Sure they would prefer no major war but where and for what would they accept a challenge to a nuclear duel. All this in realm of UNKNOWABLE.

Euphemistically we say and all agree that they would react to direct attack or "threat to really vital interests" by all out war even though odds would still be heavily against them for next couple of years. But not too helpful as to specific cases. Would an impending defeat sufficient to overthrow the regime in China be such? — experts split 50-50.

Would loss of Hungary to a condition of Austrian-like neutrality backed up by our clear willingness to attack Russia to preserve it? — most experts say yes but I and a few are profoundly convinced the Russians would have had to back down if we'd given them an ultimatum in the first days of November 1956.

If do fight will give it their all, bulwarked by faith that a desperately wounded world would have to adopt a communist-like system to recover.

- 4. Major war, then, because neither of us will deliberately plan to initiate one, will only arise by miscalculation in local situations.

 Three possibilities:
 - a. Local "trouble" initiated or supported by them
 - b. Local "trouble" initiated or supported by us
 - c. Fure chance or third person initiative (Hungarian revolt and Suss examples)

Dealing with them in orders

- a. The first is often called the "Brush Fire Problem" or described as being nibbled by "piece meal aggression." Frankly, I believe this threat is vastly exaggerated.
 - i. With exception of Korea it has never happened. (Indochina was a national civil war, working control of which was seized by local Commies three years after it started. External assistance and women for making making was a sipher personnel-wise squitzent: 1 libertyship load every three months of our aid to France 10 shiploads every month 30:1)
 - ii. Soviet leaders realize disastrous consequences on attitudes towards their major programs and world standing if started such a business.
 - themselves "for what?" With just under 1 billion people and smple physical resources our system will either succeed or fail depending on what we do with them. The addition of a few millions of Maja pribesmen, Kachins, Afghans or Masedonians won't help a bit when it does work the 1 billion Indians, Africans, Latinos and Macclasians will ept for it peaceably or by indigenous revolution.
 - iv. In other words their dynamic is one of intensive vertical development of their present area of power, not one of horizontal accretion of miscellaneous acreage around its periphery.

- b. The second case their reaction to rough initiatives on our part is trickier to deal with.
 - i. It (rather than the local aggression I've just covered) involves their concept of "Adventurism" The involvement of Seviet interests and prestige in situations which are uncertain of cutcome and marginal at best to their fundamental interests.

 (Examples Guatemala, Yemen, Syria, Sues attack).
 - ii. Yowis of anguish last fall from Moscow over Turkey-Syria were reactions to what they genuinely believed, and had intelligence reasons to believe, was an incipient US-managed coup de main that would reverse the highly favorable trend to them that was developing in Syria. (Card game analogy)
 - spect to avoid such adventuristic positions as present them with the unhappy choice between some covert military support for a client and humiliating loss of face, but that where they do get entangled as in Teheran '53, Guatemala '54, and recent Syrian rug yanking by union with Egypt they will cut their lesses early and take the prestige licking involved, putting the best possible face on the matter.

Good test case is arising in Indonesia. We know Aidit was told last November not to start a premature revolution — that he'd have to wait fifteen years before he and his Commis party were sufficiently developed to take over.

The third case -- the plain accidental crisis -- though ebjectively different would be from the Soviet leaders' viewpoint a mere product of the inherent contradictions of the capitalist system and thus sufficiently similar to the second not to require separate analysis by us here.

The impact of weapons system developments on Soviet restraint in peripheral situations has been variously appraised. -- Consensus Washington and London thinking is that they will go further and further in local crises confident that the West will be increasingly deterred by growing Soviet might. I'm inclined to think differently -- to ascribe to the Kremlin a realistic awareness that the cost of a miscalculation on their part is rising even more steeply than our readiness to call their bluff is declining. Thus the crossing curves seem to me to net out at no increase in their already minimal addiction to military solutions.

- A very brief and inadequate word on arms limitation and control
- Of sourse they love it as grist for propaganda mill "Seviet is mighty but peace-loving."
 - But they are also for some practical progress in it:
 - Would help avoid accidental hostilities -- particularly afraid of East Germany as tinder box.
 - Would halt arms race which history, whether reputable or Marrian, shows is apt to lead eventually to all-out conflict.

- iii. Agree with us on Fourth Country problem the idea of "nukes" in hands of Masrs or Gaillards does not appeal to them. **Ifficials**/
 - iv. Save dough for investment at home and abroad.
- v. Inspection elearly not the bugaboo it was under Stalin.

 They have agreed to inspection necessarily incident to a test ban.

 Have exposed their system far more in exchange, tourism, etc.
- vi. Redress strategie disadvantage our Eurasian base system places them in ultimately.
- e. Their unilateral demobilization moves are not unimpressive on the list of daring diplomatic initiatives in the world's history. Must have occasioned violent protest on part of Soviet "brass."
- 6. Now to tick off a few features that are likely to be notable during the years shead throughout their activities on the world scene.
 - a. Insistence on being accorded status earned by their technical achievements and the realities of the power equations.

For nearly 40 years they have manifested and been at the mercy of a colossal inferiority complex, their recuperation from that is a surrent reality and can be if the period of convalescence is properly handled one of the most constructive developments of our times.

This means territorial status quo wherever a red flag flies.

It means participation at least as much as any other outsider in areas such as the Middle East.

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It means the right to talk a deux to the US or if more participate to come with an equivalent retinue of Polanck offsetting English, Czechos, France, etc.

enough to be able to make deals in which there is an objective balance in security advantage toward the other Communist States.

POLICY TOWARD COMMUNIST STATES:

Realization that ferment among the captive peoples and disarray among some of their leaders contains elements of the gravest danger to the Soviet aspirations.

Avoidance of Hungarian-like episodes will require in their eyes a judicious combination of Soviet supervision and Soviet tolerance.

Minimum requirements are that the satellites stay communist and stay in the bloc. Within limits they'd like to "commonwealth"ize the Socialist camp of states as far as external appearances go and in the eyes of the people residing therein, but independence as to basic policy will be firmly quashed (for why in Krushchev's mind should they even consider letting 18 million Germans backslide to Capitalism when in less than a generation there will be Communist states to the west of it?).

China, of course, has been and will have to be accorded a status of genuine partnership quite different from that of the Eastern European governments.

Toward the Communist Party System in the free world:

interests of the USSR and the world CPS. Latter are to be advanced only when Moscow leaders find it expedient to do so.

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b. Subversion -- a much misunderstood word -- not exclusively destructive, nor a completely no-holds-barred manner of waging the struggle of competitive coexistence. Despite our widely held conviction that communism thrives on chaos they must always utilize their apparatus to create chaos by any means whatever, the fact is they have refrained from obviously appetizing assassinations of guys like Diem, Hussein, Shah, (cf. absence of such restraint by KMT in their attempt to get Chou on the Kashmir Princess) thus don't anticipate more Muk Ballahuy, etc., type nor irresponsible promotion of Arab-Israeli or much more typed of what we find Indian-Pakistanian clashes, as Asian-African solidarity movement, in some ways a new gimmick yet very similar to theme of 1920 Conference of Asian Peoples at Baku so often ascribed to them. Will be persuasive and pervasive and much harder to combat than the violent revolutionary stuff of the late 40's. Great stress at 40th Annual Meetings on local parties concentrating on Parliamentary Gains. (e.g. Kerala -- take government, cultivate populace by dramatic reforms and watch the effects spread to neighboring states.) Fearing the competition of a united Europe they will exert all possible influence to hamper the commonist market - FTA and like movements. But they will not be as crude as to call futile strikes, etc.1-

Fundamental difference in this aspect is that during Stalin era,
Soviet Policy would not rely on any instrumentality it did not absolutely
control. Today and, I believe, more so in the future they are willing
to make do with parties, individuals and nations wherever such conduct
themselves in ways which on balance advance Soviet objectives.

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e. Trade and Economic Investment abroad will be a major feature:

Bomber production has been cut back not only because missilry
is coming along but (at considerable military risk -- so much so that
our Air Force friends can't bring themselves to believe the hard evidence)
to fill the skyways of the world with their purbo prop jet airliners.

there has been substituted in Mikoyan's terms: "The rational division of labor among states." Soviet low-cost good-quality capital goods for needed raw materials. This means no serious strain in Soviets over and above the deferrment of consideration involved in their admittedly artificial credit terms and has large measure of real economic advantage over a term of years. "No strings" sounds phoney to us but it can't be laughed off. Shocking fact is that whereas bulk of our aid goes to under countries linked to us in military pacts, **Matthew* no underdeveloped country receiving bloc assistance is or has been invited to be a member of a bloc military alliance.

Human talent for export will be their trump card: Don't confuse with subversion as we so frequently charge. The guys I'm now talking about are technically competent, trained in the Language (500 in University of Moscow Language Institute taking & year Hindi course) eschew politics and live unobtrusively.

d. Attitude toward US is after crucial -Sputnick diplomacy is not a return to the Stalin era "Hard line"

Arrant forgeries large corporations have splashed on their institutional advertising about Soviet strategy to make us spend ourselves Approved For Release 1999/09/01: CIA-RDP79-01048A000100040016-7

- 12 -

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into bankruptcy couldn't be farther from the truth. They hope our countermoves to bolster West's weaknesses will be eslimited as possible. They recognize counter-productive nature of Stalinist policy in this regard and have determined not to repeat his mistakes. May explain the modest tempo of their earth satellite program - far less than the 1 per month announced last fall.

With respect to the US they remain prisoners of their dogma: Permits them to take fairly realistic account of our material strength but renders them incapable of comprehending our motivations and objectives.

Importance of exchange program particularly the high level part stressed in President-Bulganin letter.

School emerging under Mikoyan, Matskevich and Poles who understand reslities of US economy and way of life but distressingly large majority of top leaders believe what they've been told about monopolies and Wall St. running everything.

That leads me in winding up to suggest two areas in which this audience and its friends can have real impact on the developments in the Kremlin for now and the foreseeable future:

First: To insure that the sensible pragmatic school prevails in the Kremlin debates and struggles we must make certain that this recession is shortly arrested and our economic forward progress resumed with all the vigor of the past few years.

Anything that looks like a depression will encourage

the doctrinaires of Communist Leadership to believe that the Approved For Release 1999/09/01 CIA-RDP79-94048A000100040016-7 long awaited crisis of capitalism is at hand, will cause the Mikoyans to lose face and faith and might very well vitiate all I have saidhere about caution and conservatism characterizing Soviet external policy and lead to real "left adventurism" and possibly nuclear war.

Second: There is in the US almost as colossal misunderstanding and ignorance about the realities of life in the Soviet Union as there is in Russia about us. We cannot expect them to understand us unless we face and deal with the realities of their society.

In past 5 years have begun to appreciate basic physical and technical strength aided by fly-bys and orbiting spheres, but we are still and should not be underestimating our rivals in the intangibles as we have formerly in the tangibles of strength, by overestimating their malevolence, by confusing their frequent inhumanity with subhumanity, by ignoring the progress they have made to harness nature, and build a civilization. As our ancestors, to quote Max Lerner, exaggerated the druelties and depravity of the Indians, so we are emotionally indulging ourselves with respect to the Russians and Chinese. It's high time we sobered up.

We do not to my mind face a conquest by military communism.

We do find ourselves in a race for leadership of the world with militant communists who are genuinely inspired

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the true handle of history, that they have discovered the best way to deal with the complex technological and sociological problems of 2nd half 20th century, that their system of direction downward by a self-perpetuating elite carefully replenished by a massive competitive educational program can outstrip our system of control upward by free men speaking thru the ballot box and the market place. We can lose this race in the next 15 years; it may take us much longer to win it decisively or even to maintain a degree of pre-eminence until evolution ameliorates the Soviets into a society to which we can safely accommodate.

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USED COUNCIL ON FOREIGN RELATIONS SPEECH FOR SUNDAY BREAKFAST CLUB

(2 APR 1958)

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